

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
Docket No. D.T.E. 02-24/25  
Record Request Response

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**Record Request No.: DTE-RR-57 (Common)**

Please reconcile the different interest rates derived by dividing the total interest on Customer Deposits (original Attachment DTE-RR-6 Gas page 4 of 41, Electric page 4 of 38) by the Customer Deposits balance for the Gas Division and the Electric Division (page 6 of 41 and page 6 of 38).

**Response:**

The interest rate paid on customer deposits is the same for deposits held for both gas and electric accounts in accordance with FG&E's Gas and Electric tariffs.

Different interest rates result from the calculation above because it uses as its numerator an amount that is an accumulation of the test year's interest activity (calculated daily on balances that change), and uses as its denominator an amount from a specific, and unrelated, point in time (in this instance, the customer deposits balance on 12/31/01).

In its filed cost of service, FG&E did not calculate an adjustment proforming interest expense on customer deposits based on test year-end customer deposits. Therefore, cost of service interest is the test year per books expense as calculated and booked through the year.

**Person Responsible:** Mark H. Collin